



County of Monterey

Item No.

Board Report

Board of Supervisors
Chambers
168 W. Alisal St., 1st Floor
Salinas, CA 93901

Legistar File Number: 22-985

October 25, 2022

Introduced: 10/13/2022

Current Status: Agenda Ready

Version: 1

Matter Type: General Agenda Item

Receive and Accept the Treasurer's Report of Investments for the Quarter Ending September 30, 2022.

RECOMMENDATION:

It is recommended that the Board of Supervisors:

Receive and Accept the Treasurer's Report of Investments for the Quarter Ending September 30, 2022.

SUMMARY:

Government Code Section 53646 (b) (1) states the Treasurer may submit a quarterly report of investments. The attached exhibits provide a narrative portfolio review of economic and market conditions that support the investment activity during the July-September period, the investment portfolio position by investment type, and the investment portfolio by maturity range.

DISCUSSION:

The U.S. economy during this period was characterized by high inflation with consumer price index (CPI) rising 8.3% over the past year. Gasoline and energy prices fell, but rents rose the most since 1991 and food prices continued to rise. The labor market cooled slightly during the quarter but remained strong and continued out of balance, with demand for workers substantially exceeding the supply. The Federal Reserve remained committed to bring inflation down by aggressively increasing its target rate by an additional 0.75%, bringing the rate to 3.25%.

On September 30, 2022, the Monterey County investment portfolio contained an amortized book value of \$2,472,453,418 spread among 260 separate securities and funds. The par value of those funds was \$2,479,457,264 with a market value of \$2,382,359,729 or 96% of amortized book value. The portfolio's net earned income yield for the period was 1.06%. The portfolio produced an estimated quarterly income of \$6,528,970 that will be distributed proportionally to all agencies participating in the investment pool. The investment portfolio had a weighted average maturity of 450 days. The County Treasury continues to utilize shorter term debt to provide portfolio liquidity and enhanced investment opportunities in the current market environment.

The investment portfolio follows all applicable provisions of state law and the adopted Investment Policy and contains sufficient liquidity to meet all projected outflows over the next six months. Market value pricings were obtained through resources such as Bloomberg LLP, US Bank, and live-bid pricing of corporate securities.

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OTHER AGENCY INVOLVEMENT:

A copy of this report will be distributed to all agencies participating in the investment pool. The Treasury Quarterly Reports are also posted on the County Treasurer's website. A monthly report of investment transactions is provided to the Board of Supervisors as required by Government Code 53607.

FINANCING:

The investment portfolio contains sufficient liquidity to meet all projected expenditures over the next six months. Investment earnings in the General Fund appear to be trending at a rate that will meet the FY 2022-23 budgeted total.

BOARD OF SUPERVISORS STRATEGIC INITIATIVES:

This recommendation supports the Administration initiative by providing transparency and accountability in the management of County funds in the Treasurer's investment portfolio.

Mark a check to the related Board of Supervisors Strategic Initiatives

- Economic Development
- Administration
- Health & Human Services
- Infrastructure
- Public Safety

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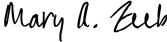
Prepared by Lupe Reyes, Chief Deputy Treasurer-Tax Collector, x5415

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Approved by Jake Stroud, Assistant Treasurer-Tax Collector, x5828

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Approved by Mary A. Zeeb, Treasurer-Tax Collector, x5015

Attachments:

- Board Report
- Exhibit A - Investment Portfolio Review 09.30.22
- Exhibit B - Portfolio Management Report 09.30.22
- Exhibit C - Aging Summary 10.01.22

cc:

- Auditor-Controller - Internal Audit Section
- All depositors
- County Administrative Office
- County Counsel